REMARKS

Reconsideration of this application as amended is respectfully requested.

The enclosed is responsive to the Examiner's Office Action mailed on October 15, 2007. At the time the Examiner mailed the Office Action, claims 1-23 were pending. By way of the present response applicant has: 1) amended claims 1, 15-17, 21 and 23; 2) added no claims; and 3) canceled no claims. As such, claims 1-23 are now pending.

Applicant reserves all rights under the Doctrine of Equivalents.

Claim Rejections – 35 U.S.C. § 112

The Examiner rejected claims 9-10 under 35 U.S.C. § 112, first paragraph, as failing to comply with the enablement requirement. In reference to claims 9-10, the Examiner stated:

> The claim(s) contains subject matter which was not described in the specification in such a way as to enable one skilled in the art to which it pertains, or with which it is most nearly connected, to make and/or use the invention. The written description discloses an auction being used to "determine[e] which investment fund or shares are to have shares purchased by the liquidity vehicle and how many" (page 5). However, there is not a description of fees being determined by an auction.

(Office action dated October 15, 2007 page 2).

Applicant respectfully submits, however, that claims 9-10 comply with the enablement requirement of 35 U.S.C. § 112, first paragraph. Support for claims 9-10 is found in the written description of the present application, which states:

> (i) prompting an investment fund to offer shares to the liquidity vehicle and to ***specify any terms of the offer that are negotiable (such as the amount of the fee to be charged for the liquidity service)***, (ii) ***determining (through a dutch auction*** or otherwise) which investment or funds are to have shares purchased by the liquidity vehicle and how many...

(Specification, page 5). The written description further states:

> In the exemplary embodiment, the liquidity software utilizes a dutch ***auction to determine*** which fund or funds that has offered shares in step 200 will have shares purchased from it or them, how many, ***and the amount or amounts of the fees to be charged***. ... The liquidity software ranks each offer of shares ***by the size of the fee offered in percentage terms*** (i.e., a one percent fee ranks higher than a half percent fee even if the total fee in absolute dollar terms if all offered shares were purchased would be greater with respect to the half percent fee.) ... The fee charged to each investment fund having an accepted or partially accepted bid is the lowest prevailing percentage bid.

(Specification, pages 9-10).

Applicant, accordingly, respectfully submits that the rejection of claims 9-10 under 35 U.S.C. § 112 first paragraph has been overcome.

The Examiner rejected claims 8-10 under 35 U.S.C. § 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. In reference to claims 8-10, the Examiner stated:

> Claim 8 refers to a liquidity vehicle charging a fee in connection with the purchase of a sale. Examiner interprets this to be a fee charged for the service of purchasing shares by the liquidity vehicle. However, claims 9-10 refer to the fee being determined through an auction. The auctioning of the fees is unclear. If a fee is charged by the liquidity vehicle, it is interpreted by the examiner that the fee would then presumably be paid by the investment fund receiving the service. However, it is unclear if an auction is established solely for the determination of a service fee wherein investment funds participate in the auction of a fee.

(Office action dated October 15, 2007 page 3).

Applicant respectfully submits, however, that claims 8-10 comply with the requirements of 35 U.S.C. § 112, second paragraph. Support for claims 8-10 is found in the written description of t he present application which states:

> In the exemplary embodiment, the liquidity software utilizes a **dutch *auction to determine which fund or funds that has offered shares in step 200 will have shares purchased from it or them, how many, and the amount or amounts of the fees to be charged***. ... The liquidity software ranks each offer of shares ***by the size of the fee offered in percentage terms*** (i.e., a one percent fee ranks higher than a half percent fee even if the total fee in absolute dollar terms if all offered shares were purchased would be greater with respect to the half percent fee.) ... ***The fee charged to each investment fund having an accepted or partially accepted bid is the lowest prevailing percentage bid.***

(Specification, pages 9-10).

Applicant, accordingly, respectfully submits that the rejection of claims 8-10 under 35 U.S.C. § 112 second paragraph has been overcome.

Claim Rejections – 35 U.S.C. § 103

The Examiner rejected claims 1-23 under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent No. 7,035,820 by Goodwin et al. (hereinafter "Goodwin") in view of U.S. Patent Publication No. 2003/0074300 by Norris (hereinafter "Norris").

In reference to claims 1 and 4, the Examiner stated that:

> Goodwyn [sic] discloses a method of providing liquidity utilizing a liquidity vehicle, comprising:
> (a) at least one investment fund wanted [sic] to receive liquidity services registering with the liquidity vehicle (column 9, lines 15-25; column 14, lines 17-20);
> (b) prompting at least one registered investment fund having a net share outflow to offer shares to the liquidity vehicle (column 10, lines 26-31 ; column 12, lines 19-58; Table I , buyer and seller alerts; column 22, lines 10-1 8; column 24, lines 40-46; column 25, lines 17-64); and
> (c) the liquidity vehicle purchasing at least one offered share of the at least one registered investment fund with proceeds of the purchase going to the at least one registered investment fund (column 2, lines 32-37; column 9, lines 40-45; column 17, lines 48-54).
> Goodwyn [sic] does not disclose holding the at least one purchased share in the liquidity vehicle for a period of time. However, Norris discloses holding the at least one purchased share in the liquidity vehicle for a period of time (page 1, paragraphs 5-6; page 2, paragraph 14;page 5,

paragraphs 48,52-53 and 55; page 6, paragraphs 61-62; page 7, paragraphs 80-81).

(Office action dated October 15, 2007 pages 4-5).

Applicant reserves the right to swear behind Goodwin and Norris.

It is respectfully submitted that Goodwin does not teach or suggest a combination with Norris and that Norris does not teach or suggest a combination with Goodwin. Goodwin discloses a data processing system for buying and selling commercial loans on the secondary whole loan market, allowing sellers to quickly and effectively reach a broad and qualified investor audience and reduce the significant time and cost associated with conducting traditional due diligence. (Goodwin, col. 1, line 17 – col. 2, line 19). Norris discloses a repurchase agreement lending facility for debt issued by a business (i.e., bonds) in order to allow the business to increase the ease of selling the debt without movement in price due to the debt going "special" and being "squeezed." (Norris, paragraphs [0002] – [0007]). It would be impermissible hindsight, based upon applicants' own disclosure, to combine Goodwin with Norris.

Even if Goodwin and Norris were combined, the combination would lack the limitations amended claim 1. The combination of Goodwin and Norris would disclose a data processing system for buying, selling, trading, originating, providing information on, and making repurchase agreements, on the open market or the Repo Market, for debt securities that become "special" to relieve a squeeze. A security goes "special" when "brokers and dealers in a particular security may attempt to capture a large portion of the market in that security on a particular date. In that event, the security may not be available at or near the market rate at which it or comparable securities are typically traded." (Norris, paragraph [0007]). "When a special occurs, the availability of the

security in the market is referred to as being 'squeezed.' This squeeze impairs the liquidity of the market for the debt. Purchasers of the security are forced to pay more for the security than for comparable debt." (Norris, paragraph [0007]).

In contrast, amended claim 1 reads:

> A method of providing liquidity utilizing a liquidity vehicle, comprising:
> (a) ***at least one investment fund wanting to receive liquidity services to meet financial obligations resulting from the redemption of at least one share of the at least one investment fund registering with the liquidity vehicle***;
> (b) ***prompting at least one registered investment fund having a net share outflow to offer shares to the liquidity vehicle, wherein the net share outflow comprises the registered investment fund having an excess number of shares being redeemed, excluding shares redeemed by the liquidity vehicle, in comparison to a number of shares being purchased, excluding shares purchased by the liquidity vehicle, over a given period of time***;
> (c) the liquidity vehicle purchasing at least one offered share of the at least one registered investment fund with proceeds of the purchase going to the at least one registered investment fund; and
> (d) holding the at least one purchased share in the liquidity vehicle for a period of time.

(Claim 1) (emphasis added).

As indicated by the Examiner, Goodwin discloses notifying potential buyers and sellers

> whenever a Buyer has expressed interest in a financial product ... [or] ordered due diligence materials ... the closing date for bids ... who has "won" or "lost" the bidding process ... new due diligence materials become available, when a condition to the loan (e.g., term) has changed, when a bid higher than the Buyer's bid has been submitted, etc.

(Goodwin, Col. 12, lines 19-56). Additionally, Goodwin discloses notifying potential buyers and sellers

> when events impact [the buyer's] (potential) bid on financial products. For example, the alerts may include: a matching of Buyer criteria to an available financial product, updates in bid status, updates in financial

> product terms, Seller response (filtered by QC), existence of competing bids ... when events impact [the seller's] financial product. In one embodiment, these alerts include: changes in valuation, confirmation of financial product pricing by the Analyst, queries from Buyers, Bids made (highest Bid information).

(Goodwin, Table 1).

The combination of Goodwin and Norris would not disclose at least one investment fund wanting to receive liquidity services to meet financial obligations resulting from the redemption of at least one share of the at least one investment fund registering with the liquidity vehicle and prompting at least one registered investment fund having a net share outflow to offer shares to the liquidity vehicle, wherein the net share outflow comprises the registered investment fund having an excess number of shares being redeemed, excluding shares redeemed by the liquidity vehicle, in comparison to a number of shares being purchased, excluding shares purchased by the liquidity vehicle, over a given period of time.

The combination of Goodwin and Norris would seek an increase in the ease of buying and selling without movement in price due to a debt going special (Norris, paragraph [0007]) or a reduction in transaction delays in purchases on the secondary loan market (Goodwin, col. 1, lines 38-44 and col. 2, lines 13-57). The combination would not disclose at least one investment fund wanting to receive liquidity services to meet financial obligations resulting from the redemption of at least one share of the at least one investment fund or prompting at least one registered investment fund having a net share outflow to offer shares to the liquidity vehicle.

Given that claims 2-14 are dependent claims with respect to claim 1, either directly or indirectly, and add additional limitations, applicant submits that claims 2-14 are not obvious under 35 U.S.C. § 103(a) in view of Goodwin and Norris.

Given that claims 15-23 rejected based upon the same art and rationale as claims 1-14 and claims 15-23 have similar limitations as claims 1-14 that are not disclosed in the combination of Goodwin and Norris, applicant submits that claims 15-23 are not obvious under 35 U.S.C. § 103(a) in view of Goodwin and Norris for the same reasons as discussed above.

Applicant, accordingly, respectfully submits that the rejection of claims 1-23 under 35 U.S.C. § 103(a) as being unpatentable over Goodwin in view of Norris has been overcome.

CONCLUSION

Applicant respectfully submits that in view of the amendments and arguments set forth herein, the applicable objections and rejections have been overcome.

Pursuant to 37 C.F.R. 1.136(a)(3), applicant hereby requests and authorizes the U.S. Patent and Trademark Office to (1) treat any concurrent or future reply that requires a petition for extension of time as incorporating a petition for extension of time for the appropriate length of time and (2) charge all required fees, including extension of time fees and fees under 37 C.F.R. 1.16 and 1.17, to Deposit Account No. 02-2666.

Respectfully submitted,

BLAKELY, SOKOLOFF, TAYLOR & ZAFMAN LLP

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